GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3465
ANSWERED ON:07.09.2007
`TAX RETURN PREPARERS`
Deora Shri Milind Murli

Will the Minister of FINANCE be pleased to state:

(a) the eligibility criteria specified for a Tax Return Preparers (TRPs);

(b) the number of tax assessee benefited by TRP scheme;

(c) whether any commission/fee/incentive is given to a TRP;

(d) if so, the details thereof;

(e) whether Public Interest Litigation was filed by a Chartered Accountant a few months ago who contended that the TRP scheme has encroached on the jurisdiction of the Chartered Accountants; and

(f) if so, the details thereof ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) The minimum eligibility for undergoing training as Tax Return Preparers is a graduation degree in Commerce, Law, Economics, Mathematics, Statistics, or Business Management /Administration. Individuals, aged not more than 35 years, were trained as Tax Return Preparers, only after selection through a nation-wide enrolment examination. Passing of end- of-training course examination with 60% marks was mandatory to be certified as Tax Return Preparers.

(b) The Tax Return Preparer Scheme has commenced in the year 2007-08. Whether a tax- assessee has utilised the services of a TRP can be known when his return of income is processed.

(c) & (d) The Tax Return Preparers will be paid 3% of the tax collected for the first year's income-tax return of a new tax payer, 2% for the second year and 1% for the third year, on the returns prepared by Tax Return Preparers. Payment to the TRPs will be made only after processing of returns by the Income-tax Department. The total payment in respect of a single return of income is subject to maximum payment of Rs.1,000/- and a minimum payment of Rs.250/- per return. For preparing and furnishing returns of existing tax payers, TRPs can collect Rs.250 from the taxpayer per income-tax return for each assessment year.

(e) & (f) Yes, Sir. The proceedings before the Hon'ble High Court are under progress and the matter is subjudice.